

Message Text

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PAGE 01 CAIRO 10532 231553Z
ACTION L-03

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 TRSE-00 ABF-01
/022 W

-----059874 240022Z /73

R 231510Z JUN 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 6527

C O N F I D E N T I A L CAIRO 10532

E.O. 11652: NA
TAGS: USEGJC EFIN
SUBJ: AIO QUERY RE APPLICABILITY US-EGYPT TAX TREATY

REF: (A) CAIRO 10493, (B) STATE 99005

1. REF A REPORTS AMC REPS EXPECTATION SIGN JEEP
CO-PRODUCTION AGREEMENT WITH ARAB INDUSTRIAL ORGANIZATION
(AIO) SOMETIME NEXT MONTH. THIS AFTERNOON ASHRAF MARWAN,
CHAIRMAN OF AIO, TELEPHONED AMBASSADOR TO INQUIRE WHETHER
A TAX TREATY EXISTS BETWEEN US AND EGYPT AND, IF SO,
WHETHER IT WOULD BE APPLICABLE TO AMERICAN COMPANIES
ENGAGED IN AIO PROJECTS IN EGYPT.

2. AMBASSADOR TOLD HIM US-EGYPT TAX TREATY HAS BEEN
SIGNED, BUT IS STILL AWAITING RATIFICATION BY BOTH
COUNTRIES. IT PROHIBITS, UNDER CERTAIN CONDITIONS,
DOUBLE TAXATION. AMBASSADOR SAID
HE WAS UNABLE TO COMMENT ON APPLICABILITY OF TREATY TO
AIO PROJECTS IN EGYPT, BUT NOTED THAT ISSUE IS ACADEMIC
UNTIL SUCH TIME AS BOTH COUNTRIES HAVE RATIFIED TREATY.

3. MARWAN NOTED AIO HOPES TO SIGN AGREEMENT WITH AMC
IN JULY. QUESTION HAS ARISEN WHETHER AMERICAN
EMPLOYEES OF AMC WORKING IN EGYPT SHOULD BE TAXED BY
EGYPT. IF EGYPT TAXES THEM, WILL THEY ALSO HAVE TO
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PAY USG TAXES. MARWAN INDICATED AIO WILL, EITHER
DIRECTLY OR THROUGH EGYPTIAN EMBASSY WASHINGTON,
QUERY IRS ON THIS MATTER.

4. ON CONTINGENCY BASIS, SUGGEST DEPT CONSULT WITH
IRS RE POSITION WE SHOULD TAKE ON AMERICANS ENGAGED
IN AIO PROJECTS IN EGYPT. ALSO PLEASE ADVISE CAIRO OF

US POSITION.

EILTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX AGREEMENTS, INCOME TAXES
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: GS
Errors: N/A
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From: CAIRO
Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
Litigation History:
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